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Security Information  
IAC-D-45/24 57  
21 October 1952

INTELLIGENCE ADVISORY COMMITTEE

INTELLIGENCE DEFICIENCIES REVEALED IN SE-27

1. Attached for your information are two progress reports on the above subject requested in paragraphs 3 and 4 of the memorandum from the Director of Central Intelligence dated 13 August 1952 to the members of the Intelligence Advisory Committee.

2. Additional reports will be issued from time to time as appropriate indicating the status of actions to improve intelligence coverage of Communist China.

JAMES Q. REBER  
Secretary

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MEMORANDUM FOR: DIRECTOR OF CENTRAL INTELLIGENCE  
SPECIAL ASSISTANT, INTELLIGENCE, DEPARTMENT  
OF STATE  
ASSISTANT CHIEF OF STAFF, G-2, DEPARTMENT  
OF THE ARMY  
DIRECTOR OF NAVAL INTELLIGENCE, DEPARTMENT  
OF THE NAVY  
DIRECTOR OF INTELLIGENCE, HEADQUARTERS, UNITED  
STATES AIR FORCE  
DIRECTOR OF INTELLIGENCE, ATOMIC ENERGY  
COMMISSION  
DEPUTY DIRECTOR FOR INTELLIGENCE, THE JOINT STAFF  
ASSISTANT TO THE DIRECTOR, FEDERAL BUREAU OF  
INVESTIGATION

SUBJECT: Intelligence Deficiencies Revealed in SE-27

REFERENCE: Memorandum from the Director of Central Intelligence,  
dated 13 August 1952

(This memorandum covers economic  
research and collection requirements)

Since receipt of the referenced memorandum, a series of actions have been initiated through the Economic Intelligence Committee which I believe will, in time, effectively correct the intelligence deficiencies in research and collection requirements. I have outlined these actions below, with specific reference to the responsible agency.

1. COLLECTION REQUIREMENTS:



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4. GENERAL:

Filling the gaps on Chinese economic development and capability which are most critical for national intelligence hinges on linking an intensified effort on China with the already considerable effort on the USSR. The problem is long-term, and the research program being developed to meet it must also be long-term. Many of the final answers to the general deficiencies noted in the post-mortem on SE-27 will not be immediately forthcoming, but it is believed confidently that the coming year will bring a marked improvement in economic intelligence support to national estimates on China.



ROBERT AMORY, JR.

Chairman

Economic Intelligence Committee

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TAB B

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CIA 438984

SECURITY INFORMATION

20 October 1952

MEMORANDUM TO: All EIC Members

FROM : Chairman, Economic Intelligence Committee

SUBJECT : EIC Coordination of Intelligence Research on the ChiCom Economy

1. As a part of the general program of the EIC to strengthen the economic intelligence effort on Communist China it is essential that steps be taken to coordinate the research activities of all the IAC and other agencies to ensure that (a) research be appropriately distributed among the various relevant sectors of the ChiCom economy with conscious reference to their relative priorities, (b) that duplication of effort be reduced to a minimum, and (c) that the IAC members be delegated responsibility for specific aspects of the economy in accordance with their unique capabilities.

2. To secure this coordination of research effort, an ad hoc EIC Coordinating Group is appointed, composed of a representative from each IAC agency who is well-informed on the nature and status of research on the ChiCom economy in his agency. [redacted] of ORR/CIA, is designated as Chairman, and [redacted] of ORR/CIA is designated Secretary.

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3. To implement the coordination program, the Coordinating Group initially will institute a survey of the potential of the IAC agencies for dealing with specific sectors of the ChiCom economy. The survey, similar to but far more detailed than that conducted by [redacted] on the "Adequacy of Intelligence Research Relating to the ChiCom Economy" (19 May 1952), should be organized in accordance with an outline in which the entire economy is divided into a number of major sectors. (Such an outline is attached for consideration by the Committee upon its activation.)

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4. The survey should involve a written contribution by each IAC member indicating as follows:

a. Personnel statement: names, backgrounds (general economist, engineer, historian, etc.), assignments and approximate amount of time devoted to research on China.

b. Nature of the research on the ChiCom economy conducted by the agency on a continuing basis and the scope of materials and files it maintains.

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c. List of projects completed during the past year, in progress, and planned.

5. The Group need hold only one or two meetings at which the survey can be explained and formally initiated. The survey should then be continued as a series of bilateral discussions conducted by the Chairman or Secretary, during which one of them would undertake to meet each key Far East economic specialist in each agency. The personal contact would facilitate appraisal of each agency's potential and would be an important supplement to the written statements.

6. Upon completion of the survey (not later than 14 November 1952), the Group should again meet to discuss remedies for gaps and deficiencies developed and to recommend an allocation of research responsibilities.

/s/

ROBERT AMORY, JR.

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